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REVIEW OF THE WORLD WOOL SITUATION

Over half of the world's wool is produced by five pastoral countries of the Southern Hemisphere and is consumed largely by countries of the Northern Hemisphere. World production of raw wool has been expanding for the last 9 years and consumption has been increasing since 1954. This situation stimulated increased exports from the principal supplying countries and imports into the principal consuming countries in 1955 and 1956.

World production of wool in 1956 was approximately 4.9 billion pounds (greasy basis), compared with 4.7 billion pounds in 1955. On a clean basis, production is estimated at 2.8 billion pounds as compared with 2.7 billion in 1955. Exports of raw wool were approximately 2.5 billion pounds, (actual weight) in 1955. The five Southern Hemisphere countries -- Australia, New Zealand, the Union of South Africa, Argentina, and Uruguay -- accounted for 58 percent of world production and 87 percent of world exports of raw wool. The Soviet Union and the United States are also major producing countries, but both are net importers of wool.

Australia has approximately 15 percent of the world's sheep numbers and produces 30 percent of the world's wool. This fact reflects the relatively high yield of wool per head in Australia, although New Zealand has the highest yield per animal as illustrated in the following table.

TABLE 1. --Wool: Average yield per sheep in selected countries, average 1953-56

Country	: Sheep numbers	: Wool production	: Average yield per animal
	: <u>Millions</u>	: <u>Million pounds</u>	: <u>Pounds</u>
New Zealand	: 38	: 453	: 11.9
Australia	: 129	: 1,357	: 10.5
United States	: 31	: 276	: 8.9
Argentina	: 47	: 377	: 8.0
Union of So. Africa ^{1/}	: 37	: 305	: 8.2
Uruguay	: 27	: 196	: 7.3
U.S.S.R.	: 101	: 481	: 4.8
Other	: 472	: 1,190	: 2.5
Total or average. . .	: 882	: 4,635	: 5.3

^{1/} Including karakul.

The principal consuming countries of the free world are the United Kingdom, the United States, France, West Germany, Japan, and Italy. Of an estimated world consumption of 2.8 billion pounds (clean basis) in 1956, these six countries alone consumed 1.6 billion pounds. The U.S.S.R., another important consumer, is perhaps exceeded only by the United Kingdom and the United States.

Wool can be divided broadly into three general types -- merino, cross-bred, and carpet wool. The major exporters of the finest type -- merino -- are Australia and South Africa. The principal sources of crossbred wool are New Zealand, Uruguay, and Argentina, while Argentina, New Zealand, Pakistan, India, and the Middle East countries are major exporters of carpet wool. For grades of wool see chart, page 4.

Sheep Numbers

Sheep numbers continued upward in 1956, for the ninth consecutive year. They were estimated at 907 million head, 2 percent above a year earlier and 21 percent larger than prewar. Numbers increased in all major areas of the world except North America, where they have been maintained during recent years at about 2/3 of prewar levels.

TABLE 2. --Sheep: Estimated world numbers, by areas
averages 1936-40 and 1946-50, annual 1955 and 1956

Area	Average		1955 1/	1956 1/	Change in 1956 from-	
	1936-40	1946-50			1936-40	1955
	Mil.	Mil.	Mil.	Mil.	Percent	Percent
North America	59.7	42.8	39.4	39.0	-34.7	-1.0
Europe	121.0	103.6	121.2	122.5	+ 1.2	+1.1
U.S.S.R. 2/	66.0	67.7	124.9	3/	-	-
Asia	156.7	156.0	182.4	184.6	+17.8	+1.2
South America	100.9	116.9	129.4	130.0	+28.8	+0.4
Africa	99.7	98.4	126.3	128.5	+28.9	+1.7
Oceania	144.0	136.3	170.0	177.0	+22.9	+4.1
Total	718.0	721.7	893.6	906.6	+21.2	+1.5

1/ Preliminary. 2/ 1955, as of October 1. Averages as of January 1.
3/ Not available.

The largest increase in sheep numbers in 1956 occurred in Oceania (Australia and New Zealand). Numbers in Australia were 19 percent higher than in 1951. In New Zealand a substantial increase also occurred during the same period. An unprecedented wool price boom during the Korean conflict was generally responsible for the rapid expansion of the sheep industry in recent years. In Australia, a number of favorable growing seasons in recent years, together with the reduction of pasture damage through the control of rabbits made expansion possible. In New Zealand there has been considerable pasture land improvement which has been further supplemented by aerial top-dressing of fertilizer, especially in the hill country.

Sheep numbers in the U.S.S.R. in 1955 are estimated at almost double the prewar average. This estimate would indicate a considerable expansion of the sheep industry, except that it is on an October 1 basis and thus probably includes most of the lamb crop, while estimates of sheep numbers prior to 1953 were on a January 1 basis.

Further sharp increases in sheep numbers since prewar are reported for South America, Africa, and to a lesser extent Asia. In Europe numbers appear to be fairly stable at prewar levels.

Wool Production

World wool production has been on the rise for the past 9 years, establishing a new record in 1956. For that year the Foreign Agricultural Service estimates it at 4.9 billion pounds, compared with 4.7 billion pounds in 1955.

TABLE 3. --Wool: Estimated production in specified countries, (greasy basis), averages 1936-40 and 1946-50, annual 1955 and 1956 1/

Country	Average				Change in 1956 from-	
	1936-40	1946-50	1955 <u>2/</u>	1956 <u>2/</u>	1936-40	1955
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Percent	Percent
Australia. . . .	1,052	1,060	1,399	1,500	+42.6	+7.2
U.S.S.R.	310	312	500	520	+67.7	+4.0
New Zealand. . .	314	375	462	470	+49.7	+1.7
Argentina. . . .	411	450	357	386	- 6.1	+8.1
Union of South:						
Africa <u>3/</u> . . .	252	216	291	301	+19.4	+3.4
United States :	425	285	275	275	-35.3	0
Uruguay.	126	163	196	185	+46.8	-5.6
All others <u>4/</u> . . .	1,085	1,020	1,200	1,235	+13.8	+2.9
Total <u>4/</u>	3,975	3,880	4,680	4,870	+22.5	+4.1

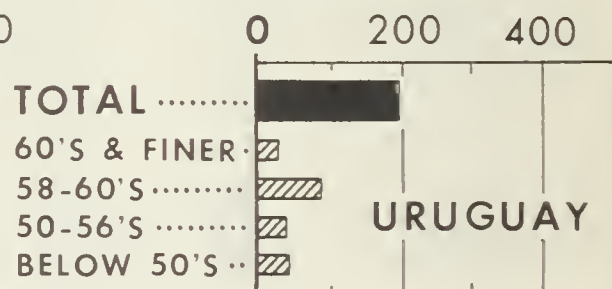
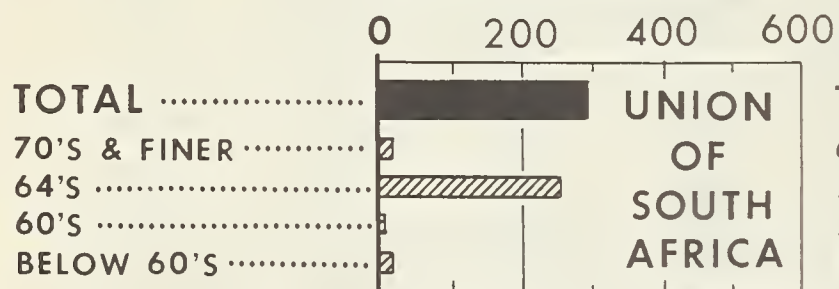
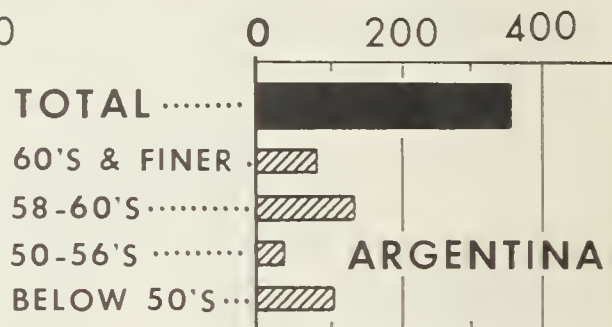
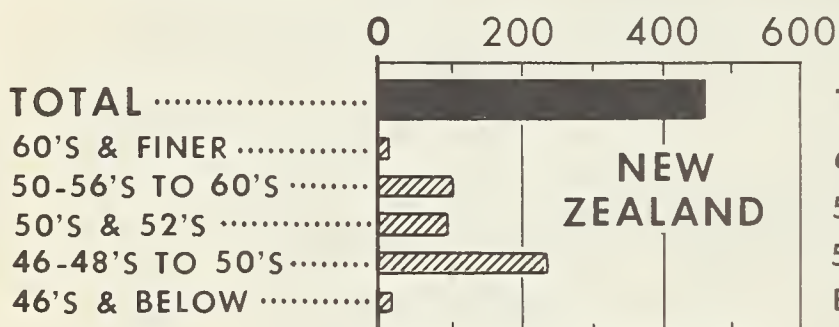
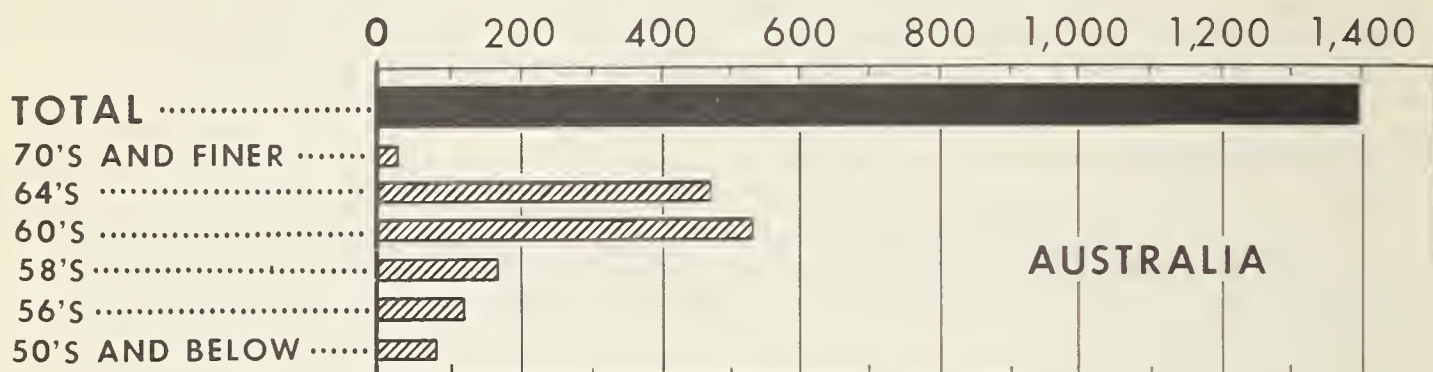
1/ Wool produced mostly in the spring in the Northern Hemisphere is combined with that produced in the season beginning July 1 or October 1 of the same year in the Southern Hemisphere. 2/ Preliminary. 3/ Excluding karakul. 4/ Rounded to 5 millions.

The increased production in recent years has been stimulated by such national incentives as a desire to increase foreign exchange earnings and to satisfy domestic requirements, and because of the relative profitability of the sheep enterprise.

A sharp rise in postwar wool production in Australia, New Zealand, Uruguay, and apparently also in the U.S.S.R. more than offsets the reduction in the United States and Argentina. Foreign observers are of the opinion that the U.S.S.R. probably ranks relatively high as a producer of wool. The major gains in wool production in 1956 are expected to occur in Australia, Argentina, and the U.S.S.R.

WOOL PRODUCTION: TOTAL AND BY GRADES

MILLIONS OF POUNDS



Australian wool production this season will approximate 1.5 billion pounds, an increase of 100 million pounds over last season. This increase continues the upward trend of recent years and also includes some wool held over from last season because of the labor dispute which began in January and ended in October 1956. The rising trend in production in recent years has resulted from the rapid expansion of the sheep industry brought about by favorable wool prices and improved grazing conditions.

In Argentina the much publicized new government program for wool has reversed the downward trend in production. The new exchange rates and "aforo" (minimum export) prices along with rising world prices have more than doubled wool prices to producers during the past year. A sharp reduction in sheep and lamb slaughter numbers in 1956 indicates that farmers are holding them for wool production.

According to some sources, the U.S.S.R. has succeeded in increasing its wool production as part of an overall plan to become more self-sufficient in the textile field. Estimated production in 1956, 520 million pounds of wool, is almost 50 percent above the 1950 output.

Wool Consumption

World consumption of virgin wool has been at a relatively high level since 1953, with a minor recession in 1954. Total consumption of raw wool in 1956 is estimated at 2.8 billion pounds (clean basis) -- an 8 percent increase over 1955. Consumption in seven major consuming countries in 1956 was 9 percent above 1955 and 13 percent above 1954.

TABLE 4. --Virgin wool: World consumption in specified countries, (clean basis), average 1934-38, annual 1952-56

Country	:Average : :1934-38 :	: 1952 :	: 1953 :	: 1954 :	: 1955 1/ :	: 1956 2/ :
	:Mil. lb.:	:Mil.lb.:	:Mil.lb.:	:Mil.lb.:	: Mil.lb.:	: Mil.lb.:
United Kingdom .	: 435 :	: 379 :	: 488 :	: 462 :	: 475 :	: 475 :
United States 3/	: 310 :	: 428 :	: 454 :	: 350 :	: 381 :	: 405 :
France	: 232 :	: 214 :	: 251 :	: 256 :	: 246 :	: 275 :
West Germany . .	: 4/ 180 :	: 132 :	: 154 :	: 152 :	: 168 :	: 176 :
Japan	: 108 :	: 125 :	: 132 :	: 110 :	: 121 :	: 171 :
Italy	: 57 :	: 99 :	: 125 :	: 119 :	: 113 :	: 124 :
Belgium.	: 60 :	: 57 :	: 70 :	: 63 :	: 65 :	: 79 :
Total.	: 1,382 :	: 1,434 :	: 1,674 :	: 1,512 :	: 1,569 :	: 1,705 :
Others	: 643 :	: 938 :	: 983 :	: 1,045 :	: 1,045 :	: 1,125 :
Total.	: 2,025 :	: 2,372 :	: 2,657 :	: 2,557 :	: 2,614 :	: 2,830 :

1/ Revised. 2/ Provisional. 3/ U.S. series, revised by Committee to clean basis. Includes consumption on cotton and other spinning systems and estimated consumption in batting and felt manufacture. 4/ Whole of Germany.

One of the developments in stimulating wool consumption has been the rapid recovery of the Japanese and West German wool textile industries. Consumption in Japan during 1956 was 41 percent above 1955, while in West Germany consumption has been increasing at a slower rate. In the United Kingdom wool consumption was the same as in 1955, but in the United States carpet and apparel usage of wool increased 8 and 5 percent respectively.

The sharp rise in world consumption in 1956 reflects a strong demand for wool textiles coupled with relatively low wool prices in the first half of 1956. International tensions created by the nationalization of the Suez Canal and the disturbances in the satellite countries were factors that especially stimulated demand at Dominion wool auctions. Economic prosperity in the nations of the free world along with population increases indicate that the world's requirements for wool will continue to increase.

World consumption of materials other than raw wool in the wool textile industries of principal consuming countries (noils, waste, reprocessed wool, artificial fibers, cotton, silk, etc.) also increased in 1956 but at a slower pace than for raw wool. In the first 9 months of the year consumption of these materials in the wool textile industry was 3 percent higher than for the same period in 1955.

Trade in Raw Wool

This year's record wool production and demand have increased the level of raw wool trade. Wool trade in 1956 is believed to be at the highest level since the years immediately after World War II when the wartime accumulation of stocks and pent-up demand stimulated trade.

International trade in raw wool in 1955 was 2.5 billion pounds as compared with 2.2 billion pounds in 1954.

Exports

The five Southern Hemisphere countries of Australia, New Zealand, the Union of South Africa, Argentina, and Uruguay shipped 87 percent of the raw wool exports in 1955. Shipments from these countries during the 1955 season (beginning in July in the Southern Dominions and in October in Argentina and Uruguay) were approximately 2.2 billion pounds, actual weight. This is 10 percent above the 2.0 billion pounds exported in the 1954 season.

Australia, Uruguay, and Argentina accounted for most of the increase in exports in 1955. Exports from the Union of South Africa also increased to a lesser extent while shipments from New Zealand declined slightly. Exports from the Southern Hemisphere countries increased substantially to all major destinations except the United Kingdom and Western Germany.

Exports to the United Kingdom, the leading market, declined for the fourth successive season. The proportion of Southern Hemisphere wool going to the United Kingdom has declined from 36 percent prewar to 26 percent in 1955. Shipments to Western Germany remained virtually the same as in the 1954 season, at 179 million pounds.

TABLE 5. --Wool: Exports from principal southern hemisphere countries by destination,
1954 and 1955 1/
(Actual weight)

Destination	Australia		New Zealand		Union of South Africa		Argentina		Uruguay		Total 5 countries	
	1954	1955	1954	1955	1954	1955	1954	1955	1954	1955	1954	1955
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
United States	76:	65	33	46	31	24	75	85	14	34	229	254
United Kingdom	326:	300	198	172	63	63	27	28	15	22	629	585
Canada	6:	8	7	8	1	1	2/	2/	2/	2/	14	17
Continental Europe:												
France	165:	205	67	65	42	50	20	34	3	13	297	367
Belgium	95:	98	16	19	16	14	10	11	2	4	139	146
Germany	70:	83	34	28	45	47	22	12	7	9	178	179
Italy	94:	100	12	15	21	19	5	5	4	9	136	148
Netherlands	4:	5	9	8	3	3	20	14	21	44	57	74
Sweden	3:	4	1	2	1	2/	0	0	2	6	7	12
Poland	16:	22	10	9	0	1	2/	0	0	19	26	51
Others	31:	39	1	5	6	13	1	2/	7	1	46	58
Total	478:	556	150	151	134	147	78	76	46	105	886	1,035
Japan	126:	191	4	5	11	12	9	45	5	2/	155	253
Other Near and Far												
East countries	5:	3	2/	2	2/	2/	0	2/	2/	1	5	6
Australia	0:	0	5	5	2/	2/	0	2/	0	0	5	5
U.S.S.R.	2/	2/	3	11	9	13	2/	2/	3	3	15	27
All others	28:	29	6	2	1	1	24	11	2	1	61	44
Total	1,045:	1,152	406	402	250	261	213	245	85	166	1,999	2,226

1/ Wool year basis. Season beginning July 1 in Australia, New Zealand, and Union of South Africa, and October 1 in Argentina and Uruguay. 2/ Negligible; included with "Others" or "All others."

The largest gains in exports were reflected in shipments to Japan, France, and the United States. Japan took 63 percent more wool in 1955 than in the previous season and 35 percent more than before the war. Japan now ranks fourth as a user of Southern Hemisphere wool, following the United Kingdom, France, and the United States.

Australian wool exports in the 1955 season were 107 million pounds higher than the previous season. Due primarily to the lowest seasonal average price since 1948, the value of these exports was \$726 million, compared with \$776 million the previous season. Raw wool accounted for 42 percent of Australia's total foreign exchange earnings during the 1955 season.

The largest proportionate rise in raw wool exports in the 1955 season occurred in Uruguay and Argentina, where shipments increased 95 and 12 percent respectively. This sharp rise had been anticipated because revised exchange rates made it possible for exporters to move their excessive carry-over stocks into trade channels at a favorable price. The depletion of carryin stocks from 132 million pounds (greasy basis) to approximately 36 million indicates a lower available supply of wool in these two countries during the 1956 season.

Exports of wool from the Union of South Africa continued the rising trend of recent years, reflecting a similar trend in production. A shift in trade pattern showed increased shipments to France and the U.S.S.R. that more than offset a 25 percent decline in sales to the United States.

New Zealand's exports of raw wool during the 1955 season declined slightly despite an increase in production. This was probably due to shipments being deferred to the 1956 wool season since exports during July and August 1956 were considerably larger than in the same months of the 1955 season. Most of this wool was exported to the United Kingdom and the United States.

Imports

During 1955, the major importing countries -- the United Kingdom, France, the United States, West Germany, Japan and Belgium -- substantially increased their wool imports over 1954, but only France, Japan, and West Germany were able to report an increase over 1953.

TABLE 6. --Wool: Imports into major consuming countries, (actual weight), average 1935-39, annual 1953-55

Country	:Average :1935-39	: 1953	: 1954	: 1955
	: <u>Mil.lb.</u>	: <u>Mil.lb.</u>	: <u>Mil.lb.</u>	: <u>Mil.lb.</u>
United Kingdom.	: 1/ 869	: 827	: 684	: 1/ 721
United States	: 224	: 449	: 304	: 355
France	: 1/ 364	: 338	: 343	: 360
West Germany.	: 2/ 260	: 1/ 208	: 190	: 232
Japan	: 188	: 197	: 147	: 198
Italy	: 79	: 201	: 169	: 1/ 156
Belgium	: 226	: 181	: 143	: 164

1/ Revised. 2/ All of Germany.

Strong demand in most consuming countries stimulated further increases in imports in 1956. Imports in 1956 are substantially larger than last year for all major consuming countries other than the United Kingdom and the United States. Imports into the United Kingdom were 702 million pounds, actual weight -- about 3 percent lower than in 1955. This decline may be attributed to a greater use of wool stocks as wool consumption was the same as in 1955.

In the United States, wool imports declined by about 1 percent during 1956 compared with 1955. Imports were up sharply during the early months of the year but declined in the later months. This decline, despite a continued high level of consumption, reflected larger sales of CCC wools, a reduction in stocks and larger marketings of the domestic clip early in the season.

The largest proportionate gain in imports during 1956 occurred in Japan which imported 42 percent more wool than in 1955. This continues the sharp rise experienced in 1955. Japan's imports are now well above prewar levels.

France and Belgium also reported substantially increased imports during January-September 1956 -- 15 and 16 percent larger, respectively, than in the same period of 1955. This corresponds with a relatively sharp increase in consumption in these countries during the first half of 1956.

World Wool Prices

Because of the Korean conflict, world wool prices reached a phenomenal peak in the 1950 marketing season (beginning July 1 in the Dominions, April 1 in the United States). They declined sharply in the following season but were maintained at relatively high levels until the 1955 season. Wool prices were substantially lower during the 1955 season because of increased supply and uncertain demand situation. The increased supply was a result of larger production and unusually large carryover stocks in Uruguay and Argentina.

Table 7 shows the relationship between average wool prices in Australia, New Zealand, the Union of South Africa, and the United States. The figures are not exactly comparable because of the different types of wool produced in these countries, but do show the general price trend in each country. Prices did not reach their peak in the United States until the 1951 season, whereas in the other countries the peak came in 1950. This reflects a difference both in season and in marketing procedure. The U.S. wool season begins April 1, and most of the wool is marketed early in the season. Therefore most of the 1950 U.S. clip had been marketed before wool prices reached their peak in March 1951.

TABLE 7. --Wool: Average price per pound in selected countries, 1950-55 ^{1/}

Year	:Australia ^{2/}	:New Zealand ^{2/}	: Union of South Africa ^{3/}	:United States ^{4/}
	:Cents	:Cents	:Cents	:Cents
1950. . .	134.0	101.4	111.8	62.1
1951. . .	67.3	46.3	56.2	97.0
1952. . .	75.8	53.4	66.0	54.1
1953. . .	76.0	58.2	67.0	54.9
1954. . .	66.1	57.3	56.8	53.2
1955. . .	57.0	53.2	49.9	5/ 42.8

^{1/} Marketing season beginning July 1 in Dominions, April 1 in the United States. ^{2/} Average auction price. ^{3/} Average price of all wool sold. ^{4/} Average price paid to farmers. ^{5/} Not including government payment, which brought average to 62.0 cents.

In Australia the 1956 wool auction season opened the last week in August with prices 5 percent higher than at last season's close in July and 15 percent higher than a year ago. This price increase was a result of increased consumption and a relatively low level of world stocks. Prices rose sharply during the following months because of mounting international tensions. As a result the price of Australian 64's at the close of 1956 was almost one-third higher than a year ago.

Carpet Wool Situation

World production of carpet wool in 1956 is estimated at 1.13 billion pounds (greasy basis) compared with 1.09 billion pounds in 1955. This estimate, which includes coarse wool from native and unimproved sheep and other wool not finer than 40's, represents 23 percent of total wool production. It excludes wool finer than 40's from sheep of Merino or English breeding.

The traditional sources of carpet wool are Argentina, India, Pakistan, and the Middle Eastern countries of Iran, Iraq, and Syria. Production in these six countries in 1956 is estimated at 318 million pounds (greasy basis) as against 301 million pounds in 1955. Most of the increase is expected to occur in Argentina, where the revision of exchange rates for wool has stimulated production.

New Zealand has become an important supplier since World War II, exceeded only by Argentina as a source of carpet wool for the United States. Although less than 2 percent of New Zealand's production is not finer than 40's, the United States alone imported 20 million pounds (actual weight) of wool not finer than 40's in 1955. Most of the New Zealand carpet wool shipped to the United States is crutchings or locks from wool fleeces finer than 40's.

Approximately one-fourth of carpet wool production is in Iron Curtain countries that do not export any substantial quantities to countries outside the satellite orbit. China was an important but irregular supplier of carpet wool to the United States before the Korean crisis. Most of the Chinese wool exports are apparently going to the U.S.S.R. at present, as relatively minor quantities are being shipped to the United Kingdom and Western Europe.

The United States is the leading consumer and largest importer of carpet wool. Mill consumption in 1956 was 144 million pounds (scoured basis), compared with 133 million pounds in 1955 and the record 208 million pounds in 1948. Consumption of carpet wool in 1956 was 8 percent above 1955 and the highest since 1950. The United States imports all of its carpet wool requirements, the principal suppliers being Argentina, New Zealand, India, Pakistan, Syria, and Iraq. Imports of carpet wool in 1956 were 143 million pounds, clean basis, as compared with 136 million in 1955 and 102 million in 1954.

In the United Kingdom wool consumed in carpet yarn reached 58 million pounds in 1955, up slightly over 1954. Consumption of carpet wool in other countries of the free world is minor, although carpet exports indicate that the industry is rapidly expanding in Belgium and Japan. The Soviet Union, the largest producer of carpet wool is probably a large consumer of carpet wool, as it imports appreciable quantities from Iran and Afghanistan, and possibly from China, and Tibet.

Mohair Situation

World mohair production is confined almost entirely to Turkey, the United States, and the Union of South Africa. The major consumers are the United Kingdom and the United States.

World production of mohair, estimated at 31 million pounds in 1950, had increased to 43 million pounds by 1956. This rise in production may be attributed to unusually high prices on the world market. Mohair prices, which have been characterized by sharp fluctuations, reached peaks in 1951 and 1954. Prices have generally declined since 1954 but are still relatively high.

TABLE 8. --Mohair: Production in major producing countries, (greasy basis), averages 1935-39 and 1945-49, annual 1950-56

Period or year	:	Turkey	:	United States	:	Union of South Africa 1/	:	Total
	:	<u>Mil. lb.</u>	:	<u>Mil. lb.</u>	:	<u>Mil. lb.</u>	:	<u>Mil. lb.</u>
Average:	:	:	:	:	:	:	:	:
1935-39. . .	:	15.3	:	16.8	:	2/ 5.0	:	37.1
1945-49. . .	:	13.3	:	17.7	:	5.2	:	36.2
Annual:	:	:	:	:	:	:	:	:
1950 . . .	:	12.9	:	13.2	:	5.0	:	31.1
1951 . . .	:	14.9	:	12.9	:	7.2	:	35.0
1952 . . .	:	16.4	:	12.2	:	6.5	:	35.1
1953 . . .	:	16.5	:	12.8	:	7.4	:	36.7
1954 . . .	:	16.6	:	14.6	:	7.6	:	38.8
1955 . . .	:	17.5	:	16.9	:	8.7	:	43.1
1956 . . .	:	16.1	:	18.2	:	9.0	:	43.3

1/ Including Basutoland and Southwest Africa. 2/ 1937-39. Season ending June 30 of year shown.

The United States has again become the world's leading producer of mohair through the decline in Turkish production in 1956. Increased U.S. production in 1956 resulted from a 9 percent increase in angora goat numbers in Texas, which accounts for approximately 95 percent of the total output in the United States.

Prior to 1953 the United States was a net importer of mohair. In more recent years, however, imports have declined to negligible quantities. During the same period exports have risen sharply. Before 1953, less than 200,000 pounds of mohair, including other wool-like specialty hair, was exported in any one year. In 1954, exports increased to 2.5 million pounds (clean content) and in 1955 rose to 6 million pounds. During 1956 they

totaled 11.8 million pounds. At this rate exports will account for almost three-fourths of the total clip. The United Kingdom is the predominant export market for U.S. mohair, followed by the Netherlands and Belgium.

The rise in exports in recent years coincides with a sharp decline in domestic consumption in the United States. Although complete consumption figures are no longer available, reported information on production, imports, exports, and stocks indicates that consumption has declined by more than 50 percent since 1950 when total mill consumption was 17.2 million pounds (scoured basis). The only reported information currently available is consumption on the worsted system which declined by almost one-third in 1956.

Prices for adult goat hair in Texas in 1956 were practically the same as in 1955, while kid hair was generally lower in price. Boston quotations for sorted mohair of 30's and finer sorts have generally declined since 1955 but prices for 26's and coarser sorts have advanced.

In Turkey, production of mohair increased from 12.9 million pounds to 17.5 million between 1950 and 1955. Production is expected to decline to 16.1 million pounds in 1956 because of a short feed supply resulting from the severe winter of 1955.

Turkey exported 8.6 million pounds of mohair in 1955. Of this, 6.5 million pounds went to the United Kingdom and 1.8 million pounds to East Germany and the U.S.S.R. Turkey's domestic consumption of mohair in 1955 is estimated at 6.3 million pounds.

Mohair production in the Union of South Africa has risen more rapidly than in the other countries. Production in the Union, including Southwest Africa and Basutoland, has increased from 5 million pounds in 1950 to 9 million pounds in 1956. A continued increase in goat numbers this year indicated further expansion of mohair production. South Africa exports practically all of its mohair to the United Kingdom. Total exports in 1954 and 1955 were 5.6 million and 6.2 million pounds, respectively.

As indicated by exports from the major producing countries, the primary consumer of mohair is the United Kingdom. Unlike the United States, the United Kingdom has increased its consumption in recent years. Mill consumption in the wool textile industry in 1955 was estimated at 10.9 million pounds as compared with 5.5 million in 1952. Imports also rose sharply, from 7 million pounds in 1952 to 19 million in 1956. This was approximately one-third more than the previous season and at the highest level in 30 years.

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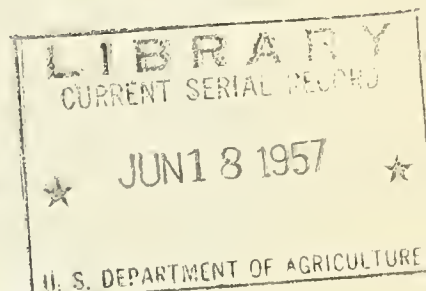
UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE
WASHINGTON, D. C.

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WOOL MOVEMENT FROM SOUTHERN HEMISPHERE

Summary



Total exports of raw wool (actual weight) from the 5 major producing countries during July-December 1956 1/ were 2.4 percent above exports for the same months of 1955. Higher levels of consumption and relatively low stock levels stimulated imports into major consuming countries despite substantially higher prices.

The overall gain in exports from the Southern Hemisphere resulted mainly from a very substantial increase in New Zealand's exports, which rose from 117.8 million pounds in July-December 1955 to 159.0 million pounds for the same period in 1956. The only other Southern Hemisphere country that contributed to the overall increase was Australia, where exports were up from 567.1 million pounds to 579.5 million pounds. Over this same period exports from the 3 other major exporting countries all declined, with Uruguay's foreign trade in raw wool dropping about 34 percent. Raw wool exports from the Union of South Africa and Argentina were down about 6 percent and 10 percent, respectively

1/ Includes only October-December for Argentina and Uruguay.

Australia

In the first half of the 1956-57 season, exports of raw wool from Australia were about 12 million pounds higher than they were for the same period during the previous year. The gain largely resulted from increased trade with Japan, Italy, the United Kingdom, and Poland.

Production of wool in Australia for the 1956-57 season is now officially estimated at 1,530 million pounds, greasy basis, or approximately 9 percent more than was produced during the 1955-56 wool year.

Wool prices in Australia, with minor lapses, increased during July-December 1956 and indications are that if they remain reasonably near current levels, production will continue to increase. Stocks of wool at the end of December were about 16 percent higher than they were the year before, indicating that although sales were up they were not rapid enough to dispose of the larger clip.

New Zealand

Exports of raw wool from New Zealand for the first half of the 1956-57 season were approximately 35 percent higher than for the same period in 1955-56. Shipments to all major importing countries were up, with the most significant increases occurring in trade with the United States, France, and the United Kingdom. These 3 countries accounted for about 75 percent of the 159 million pounds of raw wool exported from New Zealand in the July-December period. The United Kingdom was by far the most important market, with wool imports from New Zealand totaling 75.5 million pounds. France ranked second, taking 23 million pounds, and the United States third, with imports of 18.3 million pounds. With the exception of the U.S.S.R., all countries which import wool from New Zealand increased their trade during this period. The U.S.S.R. imported none; in 1955 it had taken 3.8 million pounds. Exports to Italy, increased from 1.1 million pounds during July-December 1955 to 6.3 million in 1956.

Wool prices in New Zealand have increased fairly steadily since the opening of the 1956-57 season and at present are at the highest level since the peak reached during the Korean war.

Production is also expected to be up this year, and is forecast at approximately 475 million pounds, compared with 462 million pounds for the 1955-56 season. Lower returns from dairying have been one of the factors contributing to increased wool production.

Union of South Africa

Wool exports from the Union of South Africa dropped from 127.3 million pounds in July-December 1955 to 119.4 for the same 6 months in 1956. This was a decline of 6 percent. Shipments to the Soviet Union fell off 84 percent, those to the United States by 32 percent, and those to the United Kingdom by 9 percent. On the other hand, exports to Japan at 10.3 million

Table 1.- WOOL: Exports from Southern Hemisphere countries, 1955-56 season and 1956-57 season through December, 1/ with percent change

(actual weight)

Principal countries: of destination	Australia	New Zealand	Union of South Africa	Argentina	Uruguay 2/	Total 5 countries
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.
United States.....	33.7	18.3	7.5	14.5	3.1	81.2
United Kingdom.....	156.1	164.0	63.3	20.9	7.5	269.0
Canada.....	3.6	3.2	1.5	9.3	10.5	279.6
Japan	81.1	102.6	1.5	0.5	0	5.6
U.S.S.R.....	-	-	3.8	8.4	-	94.3
			16.1	2.5	2.9	22.8
Continental Europe::						
France.....	114.7	107.7	15.2	25.7	4.1	162.2
Belgium.....	50.1	51.1	2.8	6.8	1.6	61.2
Germany.....	39.7	38.2	9.1	21.3	2.3	72.9
Italy.....	41.7	52.1	1.1	11.2	3.3	54.2
Other.....	30.6	24.5	9.0	5.3	20.2	70.6
Total.....	276.8	273.6	37.2	69.8	31.5	421.1
Other.....	15.8	17.8	3.5	3.8	0.7	2.2
Overall total...	567.1	579.5	117.8	127.3	54.6	917.2
Percent of change						
from 1955-56.....	+2.2	+34.97	-6.2	-10.3	-34.3	+2.4

1/ Season begins July 1 in Australia, New Zealand, and Union of South Africa, and October 1 in Argentina and Uruguay. 2/ Converted from bales by estimating that 1 bale equals 1,014 pounds.

pounds nearly tripled those of a year earlier, and those to Italy rose 38 percent from 8.1 million pounds to 11.2 million pounds.

The Union of South Africa's stocks of wool as of December 1956 were about 10 percent greater than in 1955, while the average price for all wool sold during July-December 1956 was up 31.5 percent from the corresponding period in 1955.

Wool production for the 1956-57 season in the Union of South Africa is expected to exceed 320 million pounds, including karakul, compared with 314 million pounds for the previous season.

Argentina

Raw wool exports from Argentina dropped from 50.4 million pounds in October-December 1955 to 45.2 million pounds for the same period in 1956. Reduced trade with the United States was the principal factor in the overall decline.

Production of wool for the 1956-57 season is now estimated at approximately 392 million pounds, a substantial increase over last season's clip of 363 million pounds. This increase reverses the downward trend in Argentine wool production evidenced since the end of the 1952-53 season. More favorable export prices have been the principal reason for the increase in wool production. Under the Argentine system of multiple exchange rates, wool export prices have increased in relation to prices of other livestock products. Increased wool export prices are therefore resulting in a shift away from cattle to sheep production.

Uruguay

During October-December 1956, exports of raw wool from Uruguay totaled 35.9 million pounds, compared with 54.6 million pounds for the same period in 1955. Shipments to most of Uruguay's leading markets were reduced, the heaviest decline, being in those to the United Kingdom, the United States, and the Soviet Union. The Netherlands and Japan were the only markets taking more than they did in the comparable period of the previous year.

Wool production in Uruguay decreased from 198 million pounds in 1954-55 to 188 million in 1955-56, and a still further reduction is predicted for this season. The latest estimate for the total 1957 wool year clip is about 180 million pounds. The decline in Uruguay's production can be attributed in part to unfavorable weather, which has reduced the average wool yield per sheep.

Wool stocks in Uruguay at the beginning of the 1956-57 season were about 20 percent lower than in 1955, but current prices have been about 80 percent higher than they were a year ago.

Table 2 gives a breakdown by grade on United States imports of dutiable apparel wool from Southern Hemisphere countries. This tabular information is on a calendar year basis.

Table 2.- WOOL, DUTIABLE APPAREL: U.S. imports for consumption
by principal countries, averages 1936-40, 1941-45, annual 1953-56 1/
(clean content)

Country	Averages		1953	1954	1955	1956 2/
	1936-40	1941-45				
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
<u>Wool not finer than 40's</u>						
Australia	121	36	140	17	40	170
New Zealand.....	1,062	436	3,869	1,557	2,670	5,552
Uruguay.....	812	676	247	133	146	105
Argentina.....	8,345	19,857	16,261	6,733	6,458	5,495
Other countries	1,258	671	1,231	687	815	1,298
Total	11,598	21,676	21,748	9,127	10,129	12,620
<u>40's to 44's</u>						
Australia	78	45	168	101	12	106
New Zealand.....	1,179	2,846	7,672	4,737	3,683	3,886
Uruguay.....	1,490	2,296	696	126	119	155
Argentina.....	1,172	10,099	822	426	377	258
Other countries.....	592	369	399	155	219	175
Total.....	4,511	15,655	9,757	5,545	4,410	4,580
<u>44's to 56's</u>						
Australia	1,829	3,541	3,957	1,853	2,659	3,212
New Zealand.....	1,834	10,524	9,395	7,838	6,314	7,612
Uruguay.....	7,711	25,213	3,323	1,546	834	1,466
Argentina.....	4,596	31,398	9,463	3,147	2,165	1,712
Other countries.....	4,164	9,475	2,671	1,637	1,256	1,338
Total.....	20,134	80,151	28,809	16,021	13,228	15,340
<u>Over 56's</u>						
Australia.....	18,948	168,462	42,008	40,522	49,991	38,251
New Zealand.....	152	2,862	1,748	1,998	2,230	1,818
Union of South Africa:	8,218	21,584	10,016	13,095	15,409	11,030
Uruguay.....	7,623	32,689	24,470	9,994	10,785	13,935
Argentina.....	12,240	32,835	21,633	3,899	2,366	2,180
Other countries.....	2,107	6,084	2,711	1,859	1,371	928
Total.....	49,288	264,516	102,586	71,367	82,152	68,142
TOTAL APPAREL WOOL	85,531	381,998	162,900	102,060	109,919	100,682

1/ Excludes courtesy and carbonized wool. 2/ Preliminary.

Source: Bureau of Census, Department of Commerce.

Total United States imports of dutiable wool dropped a little over 8 percent in 1956. The principal reason for the decline was reduced shipments of finer grade wool "over 56's" from Australia and the Union of South Africa. Total imports by the United States of this type wool were sharply down from 82 million pounds in 1955 to only 68 million in 1956, but its imports of the 3 other wool categories all advanced in 1956. The most significant increase occurred in the "wool not finer than 40's" and "44's to 56's" classes.

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